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ABSTRACT

In this distributive education unit teacher's guide on the free enterprise system, principles of the American economic system are introduced as they relate to marketing and distribution. (The study guide is available as CE 020 458.) The guide preview sheet includes a list of audiovisual equipment necessary, duration of the unit (sixteen to twenty-five class periods), titles of free films and ordering information, and a list of reference books and other instructional materials sources. Goals, instructional objectives, and methods of implementing the unit are also included. Learning activities (e.g., word scramble games) and supplemental activities and their answer keys make up the bulk of the guide. Next, a series of short quizzes and a unit test review the material. The guide also contains a script for the filmstrip "Profit--The Key," and twelve transparencies illustrating the concepts of unemployment, capital, money supply, government role, monopoly, production, supply and demand, pricing, profit, competition, gross national product, and inflation. (CT)

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PROFIT — THE KEY

PRINCIPLES OF THE AMERICAN FREE ENTERPRISE SYSTEM FOR
DISTRIBUTIVE EDUCATION STUDENTS

INSTRUCTOR'S GUIDE

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CE 020 457

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INSTRUCTOR'S PREVIEW SHEET

TITLE OF UNIT

PROFIT — THE KEY — Principles of the American Free Enterprise System for Distributive Education: Students

DESCRIPTION OF THE UNIT

This unit will introduce the principles of our economic system as they relate to marketing and distribution. The material will provide a basic understanding of free enterprise for distributive education students. A slide/tape presentation introduces the ideas. Individual and group activities are provided to convey the basic principles. Quick Check Sheets act as learning monitors with a Unit Test to be used at the end. Additional activities are suggested for more in-depth study.

ITEMS IN UNIT

Student Guides
Instructor's Guide
Set of Transparencies
Filmstrip
Cassette Tape

IMPLEMENTATION REQUIREMENTS

There are no specific facility requirements for this activity.

DURATION

Main Activity — 15 class periods (50 minutes each)

Follow-up Activity — 1-10 class periods

AUDIO VISUAL EQUIPMENT

Filmstrip projector
Overhead projector
Cassette tape player
Movie Projector and screen (Optional)

MATERIAL NEEDED TO COMPLETE UNIT

The following material should be duplicated:

Activity Sheets
Quick Checks
Unit Test

FREE FILMS

One or more of these films may be ordered as an additional activity. They should be ordered well in advance and several show dates given.

The following films are available from:

Phillips Petroleum Company
Public Relations
4 Phillips Building
Bartlesville, Oklahoma 74004

1. *FREE ENTERPRISE — WHAT'S THAT?*
2. *WHAT HAPPENED TO ALL THAT BREAD?*

The following films are available from:

Modern Talking Picture Service
1889 I—85 South
Charlotte, NC 28208

OR

Modern Talking Picture Service
2323 New Hyde Park Road
New Hyde Park, New York 11040

1. *"AMERICAN ENTERPRISE" SERIES No. 31161 (Set of six films)*
2. *"ADAM SMITH AND THE WEALTH OF NATIONS"*

REFERENCE BOOKS

Bowen, Elbert V., *Economics — The Science of Common Sense*, Cincinnati, Ohio: South-Western, 1975.

Leith, Harold R. and Lumpkin, R. Pierce, *Economics USA*, New York: Gregg Division/McGraw-Hill Book Company, 1968.

Mason, Ralph E.; Rath, Patricia M.; and Ross, Herbert L., *Marketing and Distribution*, 2nd Ed. New York: Gregg Division/McGraw-Hill Book Company, 1974.

Samson, Harland E. and Wingate, John W. *Retail Merchandising*, 8th Ed. Cincinnati, Ohio: South-Western, 1975.

Shilt, Bernard H.; Everard, Kenneth E.; Johns, M. John. *Business Principles and Management*, 6th Ed. Cincinnati, Ohio: South-Western, 1963.

Wilson, Harmon W. and Eyster, Elvin S. *Consumer Economic Problems*, 7th Ed. Cincinnati, Ohio: South-Western, 1966.

OTHER SOURCES

People, Production and Profits
Vocational Education Media Center
Clemson University
Clemson, SC 29631

Economics for Distributive Education
Ohio Distributive Education Materials
Laboratory
1885 Neil Avenue
115 Townshend Hall
Columbus, Ohio 43210

Our Free Enterprise System
Ohio Distributive Education Materials
Laboratory
1885 Neil Avenue
115 Townshend Hall
Columbus, Ohio 43210

FREE

Free Enterprise Project
Phillips Petroleum Company
Bartlesville, Oklahoma 74004

FREE

American Enterprise Teaching Notes
Playback Associates
708 3rd Avenue
New York, New York 10017

FREE

The American System... and Your Part In It
Pueblo, Colorado 81009

TITLE OF UNIT

PROFIT — THE KEY — Principles of the American Free Enterprise System for Distributive Education Students

DURATION

Main Activity — 15 class periods (50 minutes each)

Follow-up Activity — 1-10 class periods

GOALS

The student will develop an understanding of the basic principles of our free enterprise system.

The student will develop an appreciation of the advantages of our economic system.

The student will develop practical applications of the basic economic concepts.

The student will develop an appreciation of the role of profit, and the necessity for it, in our economic system.

INSTRUCTIONAL OBJECTIVES

1. The student will be able to identify the basic concepts related to the principle of unemployment.

2. The student will be able to identify the basic concepts related to the principle of capital.

3. The student will be able to identify the basic concepts related to the principle of money supply.

4. The student will be able to identify the basic concepts related to the principle of government role in our economy.

5. The student will be able to identify the basic concepts related to the principle of monopoly as it functions in our economy.

6. The student will be able to identify the basic concepts related to the principle of production.

7. The student will be able to identify the basic concepts related to the principles of supply and demand.

8. The student will be able to identify the basic concepts related to the principle of pricing in our economy.

9. The student will be able to identify the basic concepts related to the principle of profit in our economy.

10. The student will be able to identify the basic concepts related to the principle of competition as it affects our economic system.

11. The student will be able to identify the basic concepts related to the principle of Gross National Product and its effect on our economy.

12. The student will be able to identify the basic concepts related to the principle of inflation.

IMPLEMENTATION OF UNIT

A. Activity Description

This unit will explore the American Free Enterprise System and will help students learn some of the principles and concepts of our system and how they function.

The unit will start with an introductory filmstrip presentation as an overview of our economic system and how it works. The students will then use their student guides to obtain factual information about the selected principle. A transparency on each principle is available and it is suggested that it be displayed on an overhead projector during class session. The teacher may begin the class with an explanation of the information contained in the transparency. Also, students may refer to the graphic illustration for further explanation of the principles.

There are many more principles that may be equally important to our economic system. Due to the length of this unit, only a few of the most important were explored. They are examined in the order in which they appear in the filmstrip.

Individual activity sheets (located in the back of this guide) are provided for student use and should be given out either when the student guides are presented or after they complete the study assignment. Daily quizzes are provided as a Quick Check Sheet for a daily grade if you so choose. These are located in the back of the Instructor's Guide.

Additional Activities are suggested for further subject coverage for those having difficulty with the principle or for those students who complete the material early. Both group and individual activities are suggested.

A Unit Test is provided for your use to be duplicated and used for a final grade if you so desire. This same test may be given at the start of the unit as a pre-test.

B. Materials Required

<i>CLASS SESSION</i>	<i>AUDIO VISUAL</i>	<i>FROM UNIT</i>	<i>HANDOUTS DUPLICATED</i>
1st	Filmstrip projector Screen Cassette player	Filmstrip Cassette tape	None
2nd	Overhead projector	Transparency No. 1	Activity Sheet No. 1 Quick Check No. 1
3rd	Overhead projector	Transparency No. 2	Activity Sheet No. 2 Quick Check No. 2
4th	Overhead projector	Transparency No. 3	Activity Sheet No. 3 Quick Check No. 3
5th	Overhead projector	Transparency No. 4	Activity Sheet No. 4 Quick Check No. 4
6th	Overhead projector	Transparency No. 5	Activity Sheet No. 5 Quick Check No. 5
7th	Overhead projector	Transparency No. 6	Activity Sheet No. 6 Quick Check No. 6
8th	Overhead projector	Transparency No. 7	Activity Sheet No. 7 Quick Check No. 7
9th	Overhead projector	Transparency No. 8	Activity Sheet No. 8 Quick Check No. 8
10th	Overhead projector	Transparency No. 9	Activity Sheet No. 9 Quick Check No. 9
11th	Overhead projector	Transparency No. 10	Activity Sheet No. 10 Quick Check No. 10
12th	Overhead projector	Transparency No. 11	Activity Sheet No. 11 Quick Check No. 11
13th	Overhead projector	Transparency No. 12	Activity Sheet No. 12 Quick Check No. 12
14th	Filmstrip projector Screen Cassette player	Filmstrip Cassette tape	None
15th	None	None	Unit Test

C. Preparation Prior to Class

The first day, you should set up the slide projector and the cassette tape. This will serve as an introduction to the entire unit.

The second through the thirteenth class sessions are basically the same. You should begin the class by having the student guides at the students' desk. Before class each day, check the materials list and obtain the necessary equipment, duplicate the activity sheets and the quick checks.

The 14th class session, you will reshoot the filmstrip and discuss any questions the students may have. This will serve as a review time.

The 15th class session you will give the Unit Test. You will need to duplicate the test before class.

D. During Class Session

Introduction — Our economic system is often referred to as a market system. Distribution plays an important part in our economic system. So that the Distributive Education student can better understand the importance of distribution in our free enterprise system, a basic introduction to the study of economic principles is very important.

Humans have a never ending succession of wants for goods and services of all kinds. We cannot satisfy all of them because of the relative scarcity of productive resources. This is the central economic problem. This fact of scarcity forces all individuals and societies to economize.

SOURCES

Reference Books

Bowen, Elbert V., *Economics — The Science of Common Sense*, Cincinnati, Ohio: South-Western, 1975.

Leith, Harold R. and Lumpkin, R. Pierce, *Economics USA*, New York: Gregg Division/McGraw-Hill Book Company, 1968.

Mason, Ralph E.; Rath, Patricia M.; and Ross, Herbert L., *Marketing and Distribution*, 2nd Ed. New York: Gregg Division/McGraw-Hill Book Company, 1974.

Samson, Harland E. and Wingate, John W. *Retail Merchandising*, 8th Ed., Cincinnati, Ohio: South-Western, 1975.

Shilt, Bernard H.; Everard, Kenneth E.; Johns, M. John, *Business Principles and Management*, 6th Ed., Cincinnati, Ohio: South-Western, 1963.

Wilson, Harmond W. and Eyster, Elvin S., *Consumer Economic Problems*, 7th Ed., Cincinnati, Ohio: South-Western, 1966.

Other Sources

American Enterprise Teaching Notes, Playback Associates, New York, New York.

Dictionary of Marketing Terms, Ohio Distributive Education Materials Laboratory, Columbus, Ohio.

Economics for Distributive Education, Ohio Distributive Education Materials Laboratory, Columbus, Ohio.

Free Enterprise Project, Phillips Petroleum Company, Bartlesville, Oklahoma.

Our Free Enterprise System, Ohio Distributive Education Materials Laboratory, Columbus, Ohio.

People, Production, and Profits, Vocational Education Media Center, Clemson, South Carolina.

The American Economic System...and Your Part In It, Pueblo, Colorado 81009

ANSWER KEY

Learning Activity 1

1. Labor ~~turnover~~
2. Techno~~logy~~
3. Un~~employment~~
4. Full ~~employment~~
5. Labor ~~force~~
6. Compensation insurance
7. Un~~deremployment~~

Secret message: "we need employment!!"

Learning Activity 2

C — consumer goods

A — capital goods

P — fixed capital

I — interest

T — credit

A — working capital

L — labor in production

Learning Activity 3

Down

1. Monetary System
2. Banks

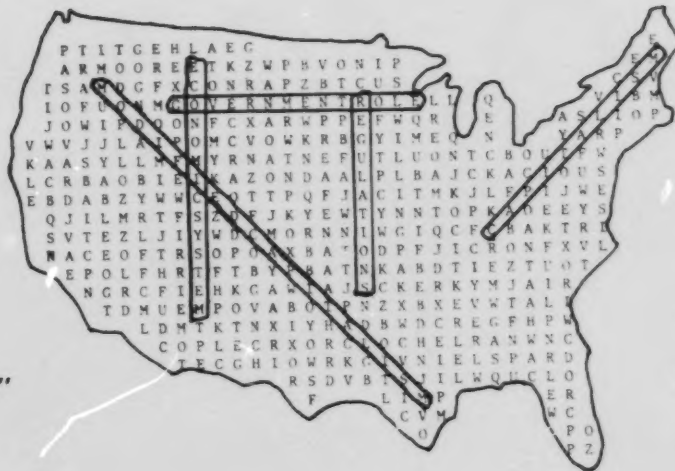
Around

3. Money Supply
4. Demand Deposits
5. Barter

What would you do?

6. Answers will vary.

Learning Activity 4



Learning Activity 5

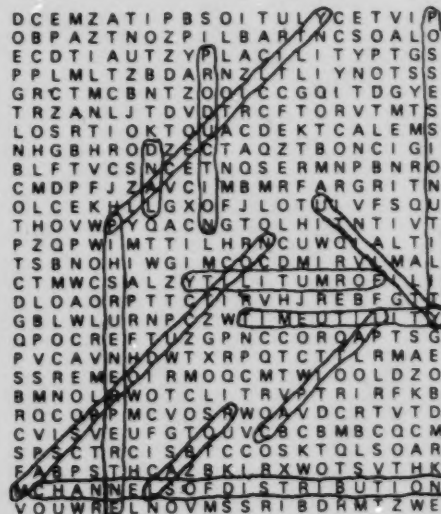
Across

1. Federal Trade Commission
3. Sherman Anti-Trust Act

Down

2. Monopoly power
4. Natural monopoly

Learning Activity 6



Learning Activity 7

Answers will vary according to students' interpretation. They should be directly related to the concepts discussed in Supply and Demand.

Learning Activity 8

1. Inelastic Demand
2. Pricing System
3. Subsidy
4. Elastic Demand
5. Economic Value

Secret message: "The Price is Right."

Learning Activity 9

1. Profit — in relation to Jack and Jill Records, would be the income the Shop takes in minus expenses.
2. Net Profit — will be the money Jack and Jill have left over after they have met their money obligations such as expenses, rent, taxes, employee wages, and any other operating costs.
3. Profit Motive — for Jack and Jill may mean that they will receive satisfaction for performing a useful service (selling records and tapes) while at the same time, they will receive a monetary reward.
4. Profit-Loss Statement — will be the written record that Jill and Jack keep to show them whether or not they are making a profit. What their sales have been will be compared to their expenses for a period of time, probably a year.
5. Profit-Sharing — will possibly increase the sales by their employees since it is an incentive program distributing the profits of the record shop.

Learning Activity 10

(Note to Teacher: You may choose to collect the papers when students have completed the activity, call out the words on each sheet without identifying the student, and have the students vote for the words they feel are most associated with competition.)

Possible Answers:

- C — capital, cooperate, check, coin, clearance, catalog, contest, customers, compete, courteous
- O — operate, office, occurs
- M — merchandise, multiply, mass production, market, maintenance
- P — people, pay, payment, penny, prompt, partner, passenger, price(s), producer, product
- E — enterprise, effort, employment, effective(ness), equal, excel, experience, economical
- T — thrifty, think, trade, traffic, timely
- I — individual, industrial, item, independent(ly)
- T — thank you, television, thorough, televise
- I — initiative, incorporate, indoor, indication, innovations
- O — offer, opponent, original
- N — newest, numbers, necessity, nation(al), now

Learning Activity 11

Across

1. National income
2. National output
3. Year
4. Highest
5. Dollars

Down

6. Standard of living
7. Per capita
8. Dept. of Commerce
9. Economic growth
10. Net National Product
11. Economy

Diagonal

12. Gross National Product

Learning Activity 12

1. Wage-Price Spiral
2. Inflation
3. Overexpansion
4. Cost-push inflation
5. Demand-pull inflation
6. Deflation

Supplemental Activities

All the supplemental activities will have varying answers, etc. except No. 8.

Supplemental Activity 8

Cost of Material	\$ 2.00
Labor	18.00
Overhead	.50
Stockholder Dividend	2.50
Profit	2.00
Selling Price	\$25.00

If the selling price were increased by \$1.00, the amounts would be:

Cost of Materials	\$ 2.00
Labor	18.00
Overhead	.50
Stockholder Dividend	2.60
Profit	2.90
Selling Price	\$26.00

Demand at	\$10	is	70
	\$11	is	68
	\$12	is	66
	\$13	is	64
	\$14	is	62
	\$15	is	60
	\$16	is	58
	\$17	is	56
	\$18	is	54
	\$19	is	52
	\$20	is	50
	\$21	is	48
	\$22	is	46
	\$23	is	44
	\$24	is	42
	\$25	is	40
	\$26	is	36
	\$27	is	32
	\$28	is	28
	\$29	is	24
	\$30	is	20
	\$31	is	16
	\$32	is	12
	\$33	is	8
	\$34	is	4
	\$35	is	0

Unit Test

1. Government role
2. Inflation
3. Money supply
4. Nonprice competition
5. Modified capitalism
6. Seller's market
7. Competition
8. Wage-price spiral
9. Economic system
10. Price competition
11. Working capital
12. Demand
13. Taking nature's products and changing them into valuable consumer goods.
14. Consumer goods
15. Monetary system
16. Net National Product
17. Firms regulated by the government: gas, electric, water, and telephone companies
18. Inelastic demand
19. Buyer's market
20. Utilities
21. Higher prices, less production, slower technological developments
22. Law of Demand
23. Credit
24. Perfect competition
25. Capital
26. Capital goods
27. Sherman Anti-Trust Act
28. Production differentiation
29. Barter
30. Law of Supply
31. Subsidy
32. Economic growth
33. Demand deposits
34. Money
35. Market equilibrium price
36. Profit motive
37. Labor force
38. Unemployment Compensation Insurance
39. Cost-push inflation
40. Gross National Product
41. Profit-loss statement
42. Supply
43. Standard of living
44. Monopoly
45. Underemployment
46. National income
47. Demand-pull inflation
48. Elastic demand
49. Overexpansion
50. Economic value

51. Labor turnover
52. Unemployment
53. Net profit
54. Full employment
55. True
56. False
57. True
58. True
59. True
60. False
61. False
62. False
63. True
64. True

Quick Check 1

1. Unemployment
2. Labor force
3. Full employment
4. Labor turnover
5. Underemployment
6. Technology
7. Unemployment Compensation Insurance

Quick Check 2

1. Capital
2. Capital goods
3. Consumer goods
4. Working capital
5. Fixed capital
6. True
7. Credit

Quick Check 3

1. Monetary system
2. Money supply
3. Demand deposits
4. Money
5. Barter

Quick Check 4

1. Economic system
2. Government role
3. False
4. Modified capitalism

Quick Check 5

1. Monopoly
2. False
3. Sherman Anti-Trust Act
4. Natural monopolies are those firms which are regulated by the government because with competition, inefficiency would occur. Examples: Gas, Electric, Water, and Telephone companies
5. Higher prices, less production, slower technological developments

Quick Check 6

1. The taking of nature's products and changing them into valuable consumer goods.
2. Utilities
3. True
4. True
5. False
6. True

Quick Check 7

1. Supply
2. Demand
3. Law of Supply
4. Law of Demand
5. Buyer's Market
6. Seller's Market
7. Market Equilibrium Price

Quick Check 8

1. Economic value
2. Elastic demand
3. Inelastic demand
4. Subsidy

Quick Check 9

1. True
2. Net profit
3. Profit motive
4. Profit-loss statement

Quick Check 10

1. Competition
2. Price competition
3. Nonprice competition
4. Product differentiation
5. Perfect competition
6. False

Quick Check 11

1. Gross National Product
2. True
3. Net National Product
4. National income
5. Standard of living
6. Economic growth

Quick Check 12

1. Inflation
2. Wage-price spiral
3. Deflation
4. Overexpansion
5. Cost-push inflation
6. Demand-pull inflation

MASTERS FOR DUPLICATION

Learning Activities 1-12
Supplemental Activities 1-12
Quick Checks 1-12
Unit Test

LEARNING ACTIVITY NO. 1

UNEMPLOYMENT

WORD SCRAMBLE

Unscramble the following letters to find the terms studied in this section. Then unscramble the circled letters for the "secret message."

1. ORABTNRELUVOR _ _ _ _ _ / _ _ _ O _ O _
2. LEHOGONTYC _ _ _ _ _ O _ _ _ O _
3. PELENNYTUMMO _ _ O _ _ _ _ O _ _ _
4. LOMLTUFMEYPENL _ _ _ _ _ O _ _ _ _ _ O _
5. RABOORCELF _ _ _ _ _ _ _ _ O _
6. ATOSEMPINRUOCANCENSIN
_ _ _ _ O _ _ _ _ _ _ _ _ _ _
7. TEYLOPREMDUNMEN _ _ O _ _ _ _ O _ _ _ _ _ O _

SECRET MESSAGE:

"W _ _ E _ _ _ _ L _ _ _ _ _ !!"

LEARNING ACTIVITY NO. 2

CAPITAL

FILL IN THE BLANKS TO COMPLETE WORDS WHICH ARE TERMS FOR THE FOLLOWING DEFINITIONS:

C _ _ _ _ _

C - used to satisfy people's wants

_ _ _ _ A _ _ _ _

A - buildings and equipment

_ _ _ _ P _ _ _ _

P - goods normally purchased to last a long time

I _ _ _ _ _

I - income from investments

_ _ _ _ T _ _ _ _

T - way of transferring resources from the future to present

_ _ _ _ _ A _ _ _ _ _

A - money spent on day-to-day operations

L _ _ _ _ _

L - major function of capital

LEARNING ACTIVITY NO. 3

MONEY SUPPLY

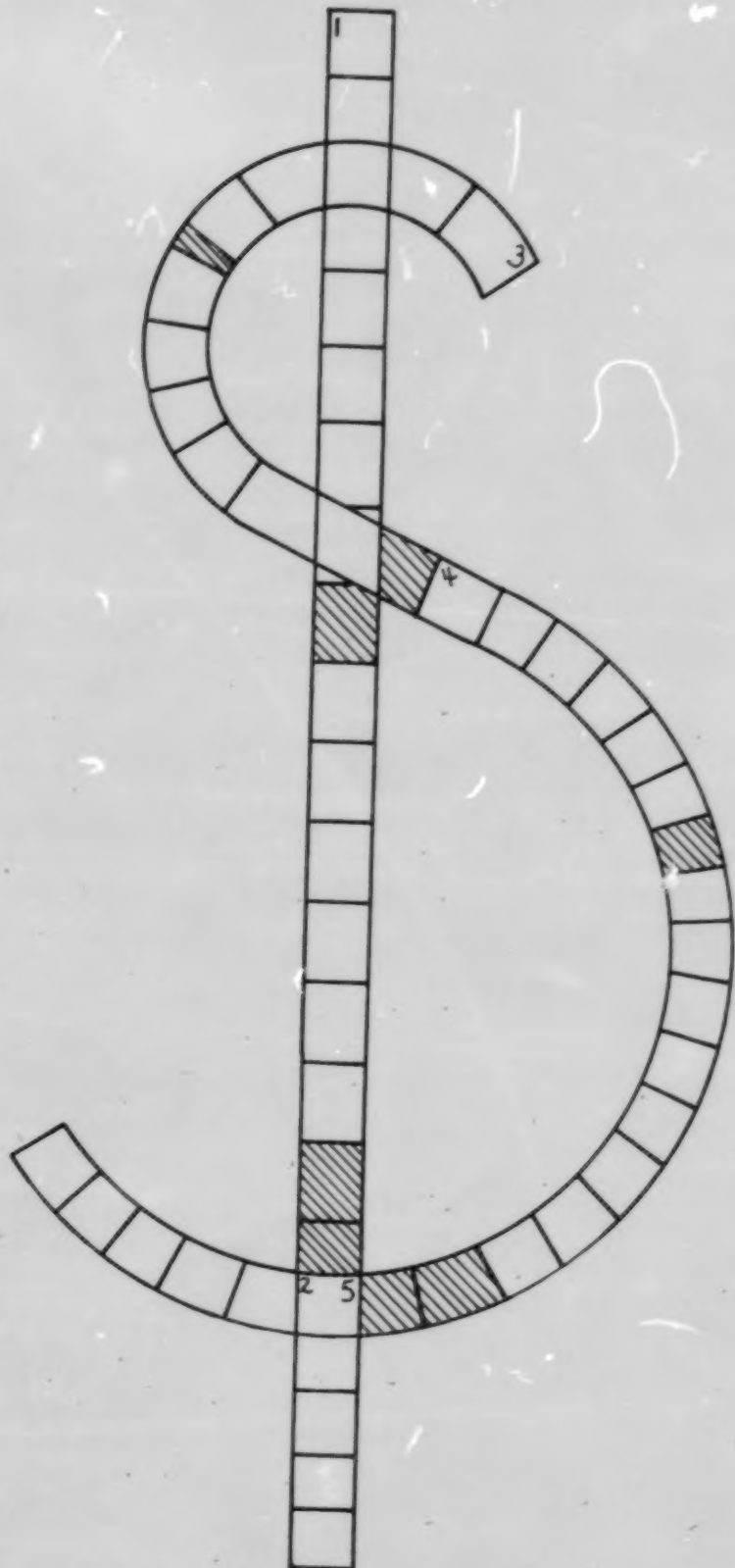
DOWN

1. essential prerequisite to specialization and exchange on which trade and growth are based
2. financial institutions

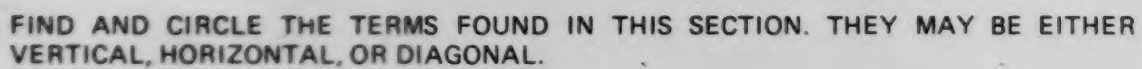
AROUND

3. the supply of money
4. checking account deposits
5. early exchange of products for products
6. WHAT WOULD YOU DO?

If you decided to start your own business, and suddenly the money supply decreased, would you continue with your plans? What would you base your decisions on? In other words, WHAT WOULD YOU DO?

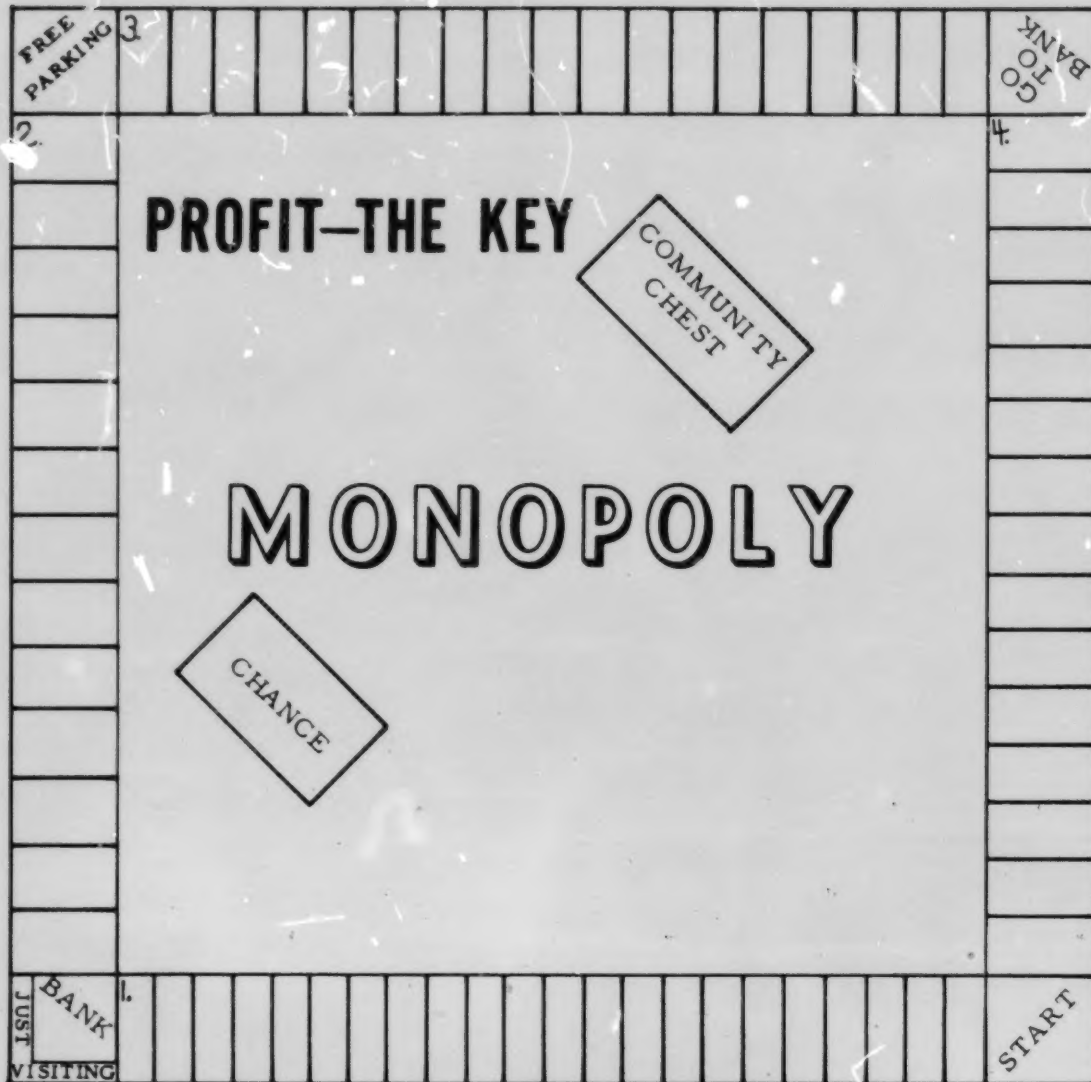


GOVERNMENT ROLE



LEARNING ACTIVITY NO. 5

MONOPOLY



CLUES

ACROSS

1. a group created by Congress to help promote free and fair competition
3. a government act which prohibits monopolies to exist

DOWN

2. meaning the power to influence
4. firm controlling natural resources and is regulated by the government

LEARNING ACTIVITY NO. 6

PRODUCTION

FIND AND CIRCLE THE WORDS FOUND IN THIS SECTION.
They may be either horizontal, vertical, or diagonal.

DCEMZATIPBSOITULYCETVIP
OBPAZTNOZPILBARTNCISOALO
ECDTIAUTZYPLACILITYPTGS
PPLMLTZBDARNZLTLYNOTSS
GRCTMCBNTZOOICCGQITDGYE
TRZANLJTDVDTRCFRTORVTMTS
LOSRTIOKTUOACDEKTCALEMS
NHGBHRODZECTAQZTBONCIGI
BLFTVCSNCETNQSERMNPBNRO
CMDPFJZAVCI MBMRFARGRITN
OLCEKHL LGXOFJLOTUIVFSQU
THOVWPYQACNGTOLHITNTIVT
PZQPWIMTTILHRNCUWQIALTI
TSBNOHIWGI MCOCDMIRVLMAL
CTMWCSALZYTILITUMROFIL I
DLOAORPTTCTIRVHJREBFGTT
GBLWLURNPCZWTIMEUTILITY
QPOCREFTUZGPNCCORQAPTSG
PVC AVNHHDWTXRPQTCTTLRMAE
SSREMEOIRMOQCMTWIOOLDZO
BMNOLRWOTCLITRVPTRI RFKB
RQCOPPMCVOSRWQAVDCRTVTD
CVISVEUFGTOUVCBCBMB CQCM
SPSCTRCISBTCCOSKTQLSOAR
FABPSTHCAZBKIRXWOTSVTHK
MCHANNELSOFDISTRIBUTION
VOUWRELNOVMSSRIBDRMTZWE

LEARNING ACTIVITY NO. 7

SUPPLY AND DEMAND

I. Use the following newspaper layout as a guide to write headlines and article titles for a day when the supply of paper is cut by 80%. The titles should tell how the decrease in supply is affecting the group listed:

- | | |
|--------------------------|----------------------|
| 1. Major headline | 5. Housewife |
| 2. Schools and teachers | 6. Students |
| 3. Paper manufacturers | 7. Government |
| 4. Package manufacturers | 8. Department stores |

II. Use the same newspaper layout and write article headings for an 80% increase in the supply of paper.

III. Select one title from each area (increase in supply and decrease in supply) and write the article on the back of the activity sheet.

DECA DAILY NEWS		
1		
2		3
4	5	7
	6	
		8

LEARNING ACTIVITY NO. 8

PRICING SYSTEM

UNSCRAMBLE THE FOLLOWING LETTERS TO FIND THE TERMS STUDIED IN THIS SECTION. THEN UNSCRAMBLE THE CIRCLED LETTERS FOR THE SECRET MESSAGE.

1. CMENINDSEDALAIT -- O -- OO -- -- --
2. TINRPYSECIGMS OO -- -- O -- -- O --
3. DUBSYIS -- -- O -- --
4. SADTLEMACNEID -- -- O -- O -- -- --
5. LEMOCAVCEINUO -- -- -- O -- -- -- O --

SECRET MESSAGE

" _ H _ _ R _ _ _ _ _ _ _ H _ . "

LEARNING ACTIVITY NO. 9

PROFIT

DEFINE THE FOLLOWING TERMS IN RELATION TO THE FILMSTRIP ON JACK AND JILL RECORDS:

1. Profit —
2. Net Profit —
3. Profit Motive —
4. Profit-Loss Statement —
5. Profit-Sharing —

LEARNING ACTIVITY NO. 10

COMPETITION

TRY TO THINK OF A WORD WHICH IS ASSOCIATED WITH *COMPETITION* IN SOME WAY FOR EACH OF THE FOLLOWING LETTERS. BEGIN EACH WORD WITH THE LETTER. YOUR WORDS CAN BE NOUNS, VERBS, ADJECTIVES, ADVERBS, OR SPOKEN WORDS.

C	_____
O	_____
M	_____
P	_____
E	_____
T	_____
I	_____
T	_____
I	_____
O	_____
N	_____

LEARNING ACTIVITY NO. 11

GOVERNMENT ROLE



ACROSS

1. income created from labor and business owners
2. another term for GNP
3. specified period of time GNP is measured
4. the U.S. stands among the _____ of the world's industrial nations
5. in what money terms the GNP is usually expressed

DOWN

6. how well people live by what an economy provides
7. meaning the "amount per person"
8. group that reports the GNP
9. an increase in per capita
10. the sum of spending on finished goods and services
11. meaning our system of production, distribution, and consumption

DIAGONAL

12. the sum total of all goods and services produced in an economy valued at current market price, or what GNP stands for

LEARNING ACTIVITY NO. 12

INFLATION

1. The never-ending relationship between wage and price increases is _____.
2. Increased money supply but reduced availability of goods and services for purchase is _____.
3. Individuals and businesses are borrowing too much money.

4. Little competition between producers is one of the factors of this _____.
5. Occurs when the value of the dollar decreases
_____.
6. Pressure downward of prices but not on availability of goods and services
_____.

SUPPLEMENTAL ACTIVITIES NO. 1

UNEMPLOYMENT

1. Have students search in the want ads for a job that Jack or Jill could qualify and have them explain why they think Jack or Jill meet the requirements for the job.
2. Have the students identify the sources of employment in the local economy.
3. Have students find out what the rates of unemployment were for the past ten years nationally and regionally. Who suffers the most by these unemployment figures?
4. Simulate job interviews. Business (especially personnel) people in your community may be willing to supply applications, tell you what factors they consider important, and perhaps supply sample tests on employment-related skills. Students can also practice writing resumes, obtaining social security numbers, etc. After interviews, class can vote on which applicant gets the job.
5. Have students write to their Congressperson to complain about unemployment based on their personal outlook as a textile worker, a teenager looking for work, or other roles they may choose.

SUPPLEMENTAL ACTIVITIES NO. 2

CAPITAL

1. Have students identify agencies in their community which deal with credit counseling and debt problems.
2. Consumer protection costs money. It is expensive for banks and other lenders to comply with, and for the government to administer. Discuss whether consumer protection in credit is worth what it costs.

SUPPLEMENTAL ACTIVITIES NO. 3

MONEY SUPPLY

1. Have students find out about the history of checks.
2. Invite a commercial banker to discuss bank regulations and the advantages and disadvantages of being nationally chartered rather than a state chartered bank.
3. Using newspaper ads, bank brochures, and personal surveys, students should determine for themselves what kinds of loans they can get from the various kinds of lending agencies in your area.
4. Have students discuss the advantages and disadvantages of credit cards and charge accounts.

SUPPLEMENTAL ACTIVITIES NO. 4

GOVERNMENT ROLE

1. Have students bring in newspaper clippings about government regulatory activities.
2. Arrange a business tour for your class. Have your host/hostess discuss during the tour the various government regulations with which his/her company must comply.
3. Invite a member of Congress to speak on the government role in business.
4. Have student groups research the role of the government in the development of the railroads, airports, and airline services. Have them make reports to the class on their findings.

SUPPLEMENTAL ACTIVITIES NO. 5

MONOPOLY

1. Discuss what it would mean to have four different telephone or utility companies serving a single community.
2. Have students interview teachers in their school, their parents, and neighbors to determine if the majority feel utility monopolies are responsible, responsive, and in the best interest of the public.
3. Role play legislators considering alternative ways to deal with monopoly in electricity and telephone service. Make a case for one of the following policies:
 - a) taxing away the profits
 - b) direct regulation of business by government
 - c) the passage and enforcement of anti-trust laws.
4. Secure the game "Monopoly" and let the students have hands-on experience in developing their own monopolies and see the financial results from uncontrolled monopolies.

SUPPLEMENTAL ACTIVITIES NO. 6

PRODUCTION

1. Contact the Forestry Division to obtain pamphlets on tree production and how trees are used or have someone from the Division come to speak to the class on the production of trees and their wide uses.
2. Have students solve the following problem and make a decision: The government has declared war. Labor is producing butter at the present but some of the labor force will have to be switched to producing guns and weapons. The student will have to decide which of the resources and how much of the labor will be used to make guns and butter. The people at home want butter and the people at war will need guns. What will you use as a basis for your decisions on what will be produced?

SUPPLEMENTAL ACTIVITIES NO. 7

SUPPLY AND DEMAND

1. Invite a resource person to class to discuss job opportunities. Have students ask about those jobs which are in high demand and offer higher salaries since there is a low supply.
2. Discuss products which lost money and faded from the market because they failed to win consumer acceptance. (Such as the Edsel, mini-skirt, etc.)
3. Auction a piece of cake, fruit, soft drinks, etc. to the class. Give the item to the top bidder. Then auction several of the same items. See if the class can determine what happens to the price when the demand is high and supply low. Then see if the class can determine what happens when the supply is high and the demand is low.

SUPPLEMENTAL ACTIVITIES NO. 8

PRICING

1. Have students do comparison shopping at several local businesses (grocery, department, etc.) on similar products and record their prices. Then have them write why they think the prices vary as they do. What affects pricing?
2. Suppose you have just formed a business to make "widgets." The materials needed to make widgets are steel and wood. Steel is 65 cents per pound and a cubic foot of wood cost 35 cents. To make one widget, you use 2 pounds of steel and 2 cubic feet of wood. It takes three people one hour each to make a widget. The laborers make \$6.00 per hour and work 40 hours a week. You have determined your overhead for each widget to be 50 cents. You plan to pay your stockholders 10% of the selling price of the widgets. You can produce 40 widgets per week without increasing your employees or buying more equipment.

Demand at \$10 is 70
\$15 is 60
\$20 is 50
\$25 is 40
\$30 is 20
\$40 is 10

How much will you charge for each widget?
How much will your stockholders receive?
What is your profit?

Answer these questions if you increase the price by \$1.00.

SUPPLEMENTAL ACTIVITIES NO. 9

PROFIT

1. Ask a member of the Chamber of Commerce to come and speak on profit in businesses.
2. Look up the average profit for various types of businesses (grocery, department, etc.). Students may obtain this information from Profit-Loss Statements from businesses, stockbrokers, insurance firms, etc.
3. Invite a stockbroker to speak to the class on profit in big business.

SUPPLEMENTAL ACTIVITIES NO. 10

COMPETITION

1. Secure the game "Acquire" and let the students have hands-on experience in forming companies and let them see how the money spent affects competition.

SUPPLEMENTAL ACTIVITIES NO. 11

GROSS NATIONAL PRODUCT

1. Have the students plot the government expenditures as a percentage of the G.N.P. from 1900-1975. This can be done on a bulletin board or on poster paper. (Source: Historical Statistics of the United States)
2. Look up newspaper or magazine articles (Newsweek, Changing Times, Business Week, etc.) related to the G.N.P. If students can obtain copies of the articles, have them make a bulletin board with them.

SUPPLEMENTARY ACTIVITIES NO. 12

INFLATION

1. Have students look up the rate of inflation from 1930 to the present on one of the various types of goods (clothing, food, housing, etc.).
2. Have students research when the dollar was re-valued and also when it was used for comparison purposes.
3. Hold a panel discussion on the need of GOLD to back our money supply and what effect this has on inflation.

QUICK CHECK NO. 1

UNEMPLOYMENT

1. The number of people without jobs for an extended length of time is known as _____.
2. _____ is made up of those people who are willing and able to work.
3. To be able to use all or the majority of productive resources would produce _____.
4. People who are changing jobs, between jobs, or new persons entering the labor force are known as _____.
5. _____ results when people take part-time jobs because they cannot find full-time employment.
6. One of the casualties and benefits of an industrial society on employment is _____.
7. _____ is available for employees who lose their jobs under certain conditions.

QUICK CHECK NO. 2

CAPITAL

FILL IN THE BLANKS:

1. Any resources used for productive purposes other than raw material and labor is known as _____.
2. Things such as buildings, equipment, and supplies are which type of goods? _____
3. Goods used to satisfy people's wants are known as _____.
4. Large amounts of money that are spent on day-to-day operations are known as _____.
5. Goods which are purchased to last a long time and assist in production are known as _____.
6. True or False _____
Interest is the income a person receives from investments.
7. _____ is a way of transferring resources (goods, services, or money) from the future back to the present.

QUICK CHECK NO. 3

MONEY SUPPLY

FILL IN THE BLANKS:

1. A _____ is an essential prerequisite to specialization and exchange on which trade and growth are based.
2. With the discovery of gold in California and other areas in the 1800's, economy's _____ expanded.
3. Checking account deposits are also known as _____.
4. _____ serves as a means of exchanging a unit of value.
5. The exchange of goods without money is known as _____.

QUICK CHECK NO. 4

GOVERNMENT ROLE

FILL IN THE BLANKS:

1. The way a society is organized to make decisions concerning the use of its resources is known as an _____.
2. There are various types of economic systems and these vary according to the _____ in the system.
3. True or False _____
We in America have a true Free Enterprise System.
4. When the government has a limited control on the economic system, it is known as _____.

QUICK CHECK NO. 5

MONOPOLY

1. What exists when there is only one seller in a business that has little or no competition?

2. True or False _____
Monopoly power means that a business does not have power to influence.

3. What act was passed in the late 1800's which dissolved the existing monopolies?

4. What are natural monopolies and give examples of these? _____

5. What are two threats of a monopoly on our economy? _____

QUICK CHECK NO. 6

PRODUCTION

1. What is the definition of the term production? _____
2. Goods or services useful to the consumer or which satisfy human needs and wants are known as _____.
3. True or False _____
Form utility means things are given a new physical form.
4. True or False _____
Place utility means products must be in a place where customers can readily obtain them.
5. True or False _____
Time utility means customers can obtain certain products and pay for them on a time installment plan.
6. True or False _____
Possession utility means the product must finally be purchased from the retailer.

QUICK CHECK NO. 7

SUPPLY AND DEMAND

1. _____ refers to the amount of economic goods offered by a supplier at a given time and price.
2. _____ refers to the desire and ability by a consumer to purchase economic goods at different prices.
3. _____ is when there are many goods available for sale and the price will go down.
4. When there are few goods in the market place and people want them, the price goes up. This is known as the _____.
5. When the supply is large and the demand is low, the buyer has a bargaining advantage known as the _____.
6. When the supply is low and the demand is high, the seller has a bargaining advantage known as the _____.
7. As supply increases, prices are lowered until eventually the price equals the cost of production. This is known as _____.

QUICK CHECK NO. 8

PRICING SYSTEM

1. The worth or usefulness that a person places on goods and services in satisfying their wants and needs is known as _____.
2. A product that has a change in price and brings out a change in the amount that is purchased is known as _____.
3. _____ is when a change in price does not necessarily change the quantity bought.
4. Money offered to business or individuals to increase the income of the producer through a direct payment so that the production cost will not be so high is called a _____.

QUICK CHECK NO. 9

PROFIT

1. True or False _____
When businesses work for the production and distribution of goods and services, they receive an income. This income is called profit.
2. The remaining portion of a business income, once expenses are deducted and those who have contributed to production have been paid, is called _____.
3. The idea of _____ provides individuals the opportunity to achieve satisfaction of performing a useful service while at the same time receiving a monetary (money) reward for services equal to their skill, effort, and the risk assumed.
4. A _____ is a record that shows the progress of a firm over a period of time.

QUICK CHECK NO. 10

COMPETITION

1. _____ means that there are two or more businesses acting independently to attract customers.
2. _____ is when one producer may offer his goods and services at a lower price in order to gain more customers and to compete.
3. A producer may offer new innovations, the latest styles, a maintenance service, or a higher quality of goods without reference to price. This is known as _____.
4. _____ is all of the competitive devices a business may use in order to make its product more desirable or different from similar products.
5. When there are many sellers of the same product, _____ occurs since no seller can alter the price of a good by increasing or decreasing the quantity produced.
6. True or False _____
Imperfect competition occurs when a number of sellers with differentiated products have a fixed price and quantity.

QUICK CHECK NO. 11

GROSS NATIONAL PRODUCT

1. _____ is the total of all goods and services produced in the economy valued at current market prices over specified period, usually one year.
2. True or False _____
Another term for amount per person is per capita.
3. _____ refers to the sum of spending on finished or final goods and services including personal consumption, business investments, government purchases of goods and services and new exports.
4. _____ is the income derived or created from labor and business owners resulting from production of G.N.P. value.
5. The G.N.P. also closely affects how well a nation of people live by what economy provides. This is our _____.
6. The increase in per capita indicates the _____ by such.

QUICK CHECK NO. 12

INFLATION

FILL IN THE BLANKS:

1. An economic condition that refers to any increase in the money supply, either credit, money, or both, in relation to the reduced availability of goods and services for purchase is known as _____.
2. The never-ending relationship between wage increase and price increase is known as _____.
3. _____ is a result of a fall in prices.
4. When there is _____, a recession or a depression may result.
5. There is _____ when businesses have higher labor costs and prices rise, when the government, businesses, and individuals spend heavily on the goods and services available.
6. _____ occurs when the value of the dollar decreases, and our economy experiences undesirable results.

UNIT TEST

FILL IN THE FOLLOWING BLANKS WITH THE CORRECT WORD OR PHRASE.

1. There are various types of economic systems and these vary according to the _____ in the system.
2. An economic condition that refers to any increase in the money supply, either credit, money, or both in relation to the reduced availability of goods and services for purchase, is known as _____.
3. With the discovery of gold in California and other areas in the 1800's, economy's _____ expanded.
4. A producer may offer new innovations, the latest styles, a maintenance service or a higher quality of goods without reference to price. This is known as _____.
5. When the government has a limited control on the economic system, it is known as _____.
6. When the supply is low and the demand is high, the seller has a bargaining advantage known as the _____.
7. _____ means that there are two or more businesses acting independently to attract customers.
8. The never-ending relationship between wage increase and price increase is known as _____.
9. The way a society is organized to make decisions concerning the use of its resources is known as an _____.
10. _____ is when one producer may offer goods and services at a lower price in order to gain more customers and to compete.
11. Large amounts of money that are spent on day-to-day operations are known as _____.
12. _____ refers to the desire and ability by a consumer to purchase economic goods at different prices.
13. What is the definition of production? _____
14. Goods used to satisfy people's wants are known as _____.
15. A _____ is an essential prerequisite to specialization and exchange on which trade and growth are based.
16. _____ refers to the sum of spending on finished or final goods and services including personal consumption, business investments, government purchases of goods and services and new exports.

17. What are natural monopolies and give examples of these? _____
18. _____ is when a change in price does not necessarily change the quantity bought.
19. When the supply is large and the demand is low, the buyer has a bargaining advantage known as _____.
20. Goods or services useful to the consumer or which satisfy human needs and wants are known as _____.
21. What are two threats of a monopoly on our economy? _____
22. When there are few goods in the market place and people want them, the price goes up. This is known as the _____.
23. _____ is a way of transferring resources (goods, services, or money) from the future back to the present.
24. When there are many sellers of the same product, _____ occurs since no seller can alter the price of a good by increasing or decreasing the quantity produced.
25. Any resources used for productive purposes other than raw material and labor is known as _____.
26. Things such as buildings, equipment, and supplies are which type of goods? _____
27. What act was passed in the late 1800's which dissolved the existing monopolies? _____
28. _____ is all of the competitive devices a business may use in order to make its product more desirable or different from similar products.
29. The exchange of goods without money is known as _____.
30. _____ is when there are many goods available for sale and the price will go down.
31. Money offered to business or individuals to increase the income of the producer through a direct payment so that the production cost will not be so high is called a _____.
32. The increase in per capita indicates the _____ by such.
33. Checking account deposits are also known as _____.
34. _____ serves as a means of exchanging a unit of value.
35. As supply increases, prices are lowered until eventually the price equals the cost of production. This is known as _____.

36. The idea of _____ provides individuals the opportunity to achieve satisfaction of performing a useful service while at the same time receiving a monetary (money) reward for services equal to their skill, effort, and the risk assumed.
37. _____ is made up of those people who are willing and able to work.
38. _____ is available for employees who lose their jobs under certain conditions.
39. There is _____ when businesses have higher labor costs and prices rise, when the government, businesses, and individuals spend heavily on the goods and services available.
40. _____ is the total of all goods and services produced in the economy valued at current market prices over specified period, usually one year.
41. A _____ is a record that shows the progress of a firm over a period of time.
42. _____ refers to the amount of economic goods offered by a supplier at a given time and price.
43. The G.N.P. also closely affects how well a nation of people live by what economy provides. This is our _____.
44. What exists when there is only one seller in a business that has little or no competition?

45. _____ results when people take part-time jobs because they cannot find full-time employment.
46. _____ is the income derived or created from labor and business owners resulting from production of G.N.P. value.
47. _____ occurs when the value of the dollar increases, and our economy experiences undesirable results.
48. A product that has a change in price brings out a change in the amount that is purchased is known as _____.
49. When there is _____, a recession or a depression may result.
50. The worth or usefulness that a person places on goods and services in satisfying their wants and needs is known as _____.
51. People who are changing jobs, between jobs, or new persons entering the labor force are known as _____.
52. People without jobs for an extended length of time is known as _____.
53. The remaining portion of a business income, once expenses are deducted and those who have contributed to production have been paid, is called _____.
54. To be able to use all or the majority of productive resources would produce _____.

ANSWER THE FOLLOWING STATEMENTS EITHER TRUE OR FALSE. WRITE THE WORD TRUE OR FALSE IN THE BLANKS PROVIDED FOR EACH STATEMENT.

- _____ 55. **Form utility** means things are given a new physical form.
- _____ 56. Monopoly power means that a business does not have power to influence.
- _____ 57. **Possession utility** means the product must finally be purchased from the retailer.
- _____ 58. **Place utility** means products must be in a place where customers can readily obtain them.
- _____ 59. Interest is the income a person receives from investments.
- _____ 60. Imperfect competition occurs when a number of sellers with differentiated products have a fixed price and quantity.
- _____ 61. **Time utility** means customers can obtain certain products and pay for them on a time installment plan.
- _____ 62. We in America have a true Free Enterprise System.
- _____ 63. When businesses work for the production and distribution of goods and services, they receive an income. This income is called profit.
- _____ 64. Another term for amount per person is per capita.

SCRIPT FOR FILMSTRIP

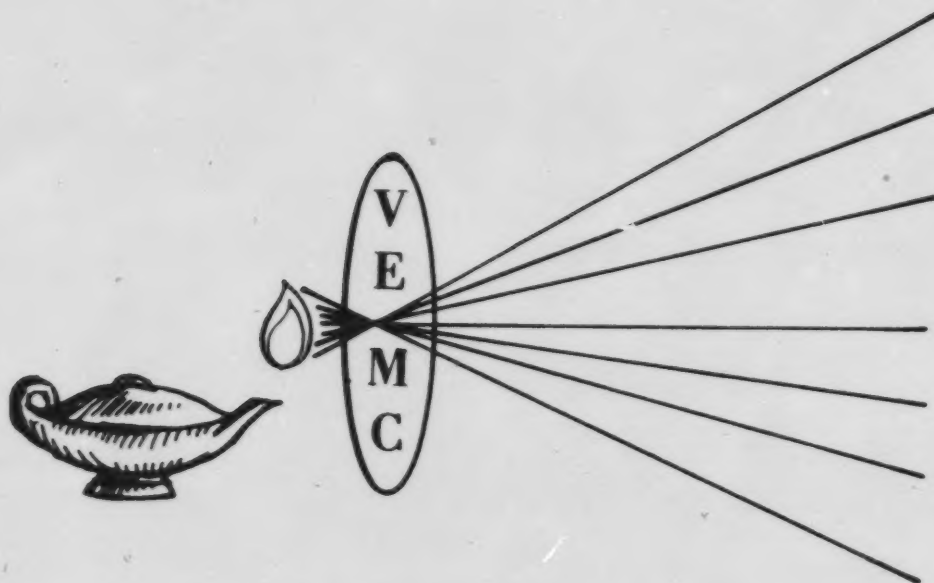
SLIDE NO.	PERSON TALKING	DIALOGUE
1		Title Slide — <i>Profit — The Key</i>
2		Credit slide
3		Credit slide
4	N	Hello. I'd like for you to meet two successful young businesspersons...
5	N	Jill Roberts
6	N	and Jack Cannon.
7	N	They are co-partners in Jack and Jill Records, a small specialty store located in a suburban mall outside of Center City. Before we hear their story, let's take a look backwards...
		(Music Interlude)
8	N	It was only a few short years ago when Jack and Jill were distributive education students at Central High School.
9	N	Their coordinator, Mrs. Hill, assisted them in getting part-time jobs after school at a local department store.
10		(No Dialogue)
11	N	Both students worked in the record department and enjoyed their work very much.
12	N	The majority of their working time was spent assisting the customers and closing sales. After the first year on the job, Jill and Jack expanded their training into
13	N	ordering,
14	N	stocking,
15	N	pricing,
16	N	and arranging the merchandise.
17	N	The economy was at a low ebb, however, and the management decided to close the mall branch of the store after suffering severe financial losses.
18	N	Management told the employees of the store well in advance of the closing so that they might secure other employment.

- 19 N Many of the workers joined the ranks of the competing department stores in Center City.
- 20 N While a few moved into the discount and specialty stores located in the mall.
- 21 N Jack and Jill had a great deal of time to consider their alternatives.
- 22 N Instead of working in another department store or working in a specialty store for someone else, they decided they would try to operate their own business: A specialty store dealing with records, tapes, and related merchandise.
- 23 N By the time the final decision was made, high school graduation was at hand.
- 24 N Mrs. Hill agreed to assist Jill and Jack during the summer months so that they would be able to open their business before school started in September.
- 25 N Their dream became a reality. Here they are, in their own store, feeling very happy and satisfied with their accomplishments.
- 26 N But was it as easy as it sounded?
- 27 N Let's talk to them and find out...
- 28 N Jill, what do you think was the hardest part of starting your own business?
- 29 R I'd have to say money. When we began our venture last year, the economy was very tight. It was hard to qualify for loans and the interest rates were really steep. Jack and I had been able to save a considerable amount of money during the two years that we worked in the department store, but that wasn't nearly enough.
- 30 R We were finally able to get a loan which filled in the difference.
- 31 R You know, our economic system is great in that anyone desiring to go into business can do so...but it is also risky. There is no guarantee that you'll be successful at it.
- 32 R I think our success has come from good training at the department store, a desire to achieve, and a lot of luck and good timing.
- 33 N Jack, how about the requirements for starting your own business? Can you give us some ideas?

34	C	Sure. Jill's already mentioned one of these: capital.
35	C	We also had to secure a couple of part-time workers as the business picked up.
36	C	The government also regulates business to a certain degree, although not as much as in other economic systems.
37	C	The government also tried to protect consumers by providing them with more information.
38	C	For example, in order for us to operate Jack and Jill Records, we had to secure a business license.
39	C	We also have to comply with other government regulations concerning wages, taxes, and safety of employees.
40	C	The government also has regulations and laws concerning monopolies. We aren't actually classified in that category, although we do have an uncontested corner of the market here in Center City.
41	C	Records and tapes can be purchased at discount, variety, and department stores; but we are the only specialty store dealing in this line.
42	C	We feel that we are offering an extensive collection of music, in all major areas.
43	N	Jill, how did you decide on what lines or labels you would carry?
44	R	I'd say experience in the record department helped us a great deal with this decision.
45	R	We had made several contacts with suppliers of the major record companies, and we were able to arrange for these companies to serve us at our new store.
46	R	If the company is large enough, it hires its own sales force.
47	R	If it's a smaller company, a wholesaler may represent several small companies and call on retailers.
48	R	Several of our suppliers offer credit, and this was a real advantage when we first opened the business and were still in the red.
49	N	Do the suppliers suggest prices for the merchandise or do you make your own decisions?
50	R	We decided on our general pricing policy long before we opened our doors.

51	R	We want to sell a great quantity of merchandise at a lower price, assuming that the demand is stable.
52	R	That's basically what we've tried to do. We do stick to the range that the suppliers suggest, usually at the lower end of it.
53	R	If we discover that our stock turnover is low for a certain period on albums or tapes, we usually have a sale.
54	R	We hope that by reducing the price, the number of units sold will increase.
55	N	Jack, are you making as much profit as you had hoped to?
56	C	We really didn't know what to expect, but I think we're doing really well now.
57	C	It took us several months to realize a profit, though. We had heavy investments and expenses...things like:
58	C	supplies;
59	C	equipment, such as a cash register;
60	C	and display fixtures,
61	C	in addition to the stock of tapes and albums that we had to have on hand to open. We also had the usual operating expenses such as rent and utilities. We have to account for all these expenses before we can figure our net profit.
62	N	Jill, do any of the other stores provide much competition against Jack and Jill Records?
63	R	Not a great deal. We think of our business as being unique to our area...We specialize in records and tapes.
64	R	We offer a much better selection
65	R	and have lower prices than other stores.
66	R	We're doing fine now, but I'm sure that the future will not be as simple...Many competitors will enter the market and we'll have to deal with that. In fact, a chain of record shops is considering opening a branch very close to us.
67	R	I guess we'll have to wait and see how it goes...whether to try and meet the competition, to compete directly, or whether to ignore it and continue our present policy.

68	N	How do you keep up with current events and things that might affect the business?
69	C	First of all, we always read the local papers and national news magazines.
70	C	These papers give us information on the G.N.P., or Gross National Product, as well as inflation or any other conditions of the economy.
71		(No Dialogue)
72	C	All of these factors directly affect Jill and me. The business that operates without considering these things is foolish and may not be in business for very long.
73	C	Other publications that offer a lot of help are the trade journals. They cite trends in the music industry that we need to be aware of.
74	N	Does the future of Jack and Jill Records look pretty promising? What's up in the years ahead?
75	C	We're hoping for the best. We'll continue to offer a wide assortment of music at reasonable prices.
76	R	We'll also try our best to keep up with current business conditions and trends in our industry.
77	R	Retailing is a challenging field and we plan to continue in it. Maybe in the future, you'll see Jack and Jill Records in your town.
78	R	And just think, we owe it to the system...the Free Enterprise System. Without it, we would have never been able to open our business and make profits. We wouldn't have been able to spend or invest the money as we want.
79	C	That's right Jill. You can't beat the system...the Free Enterprise System.
80		The End



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UNEMPLOYMENT



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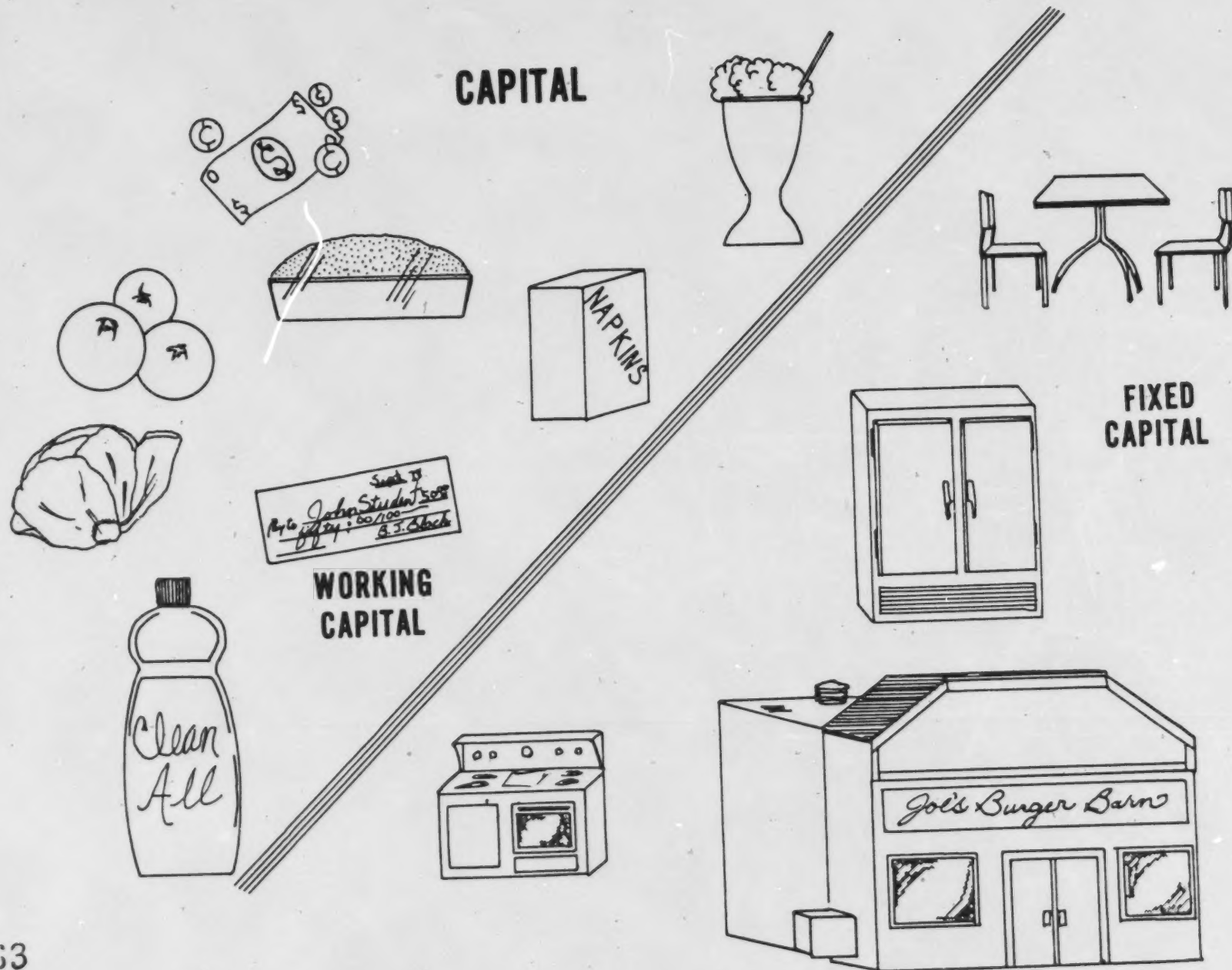
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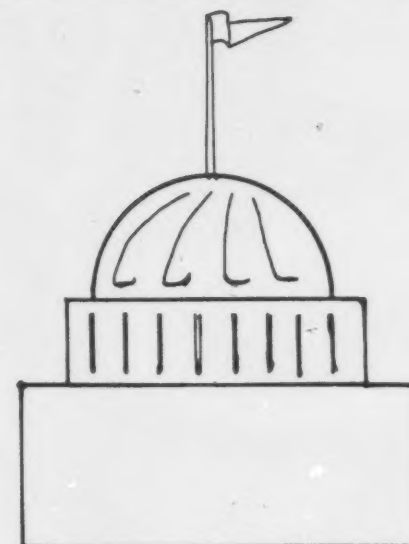
MONEY SUPPLY



GOVERNMENT ROLE

TYPES OF SYSTEMS

1. CAPITALISM ★ FREE ENTERPRISE SYSTEM ★
2. SOCIALISM
3. COMMUNISM

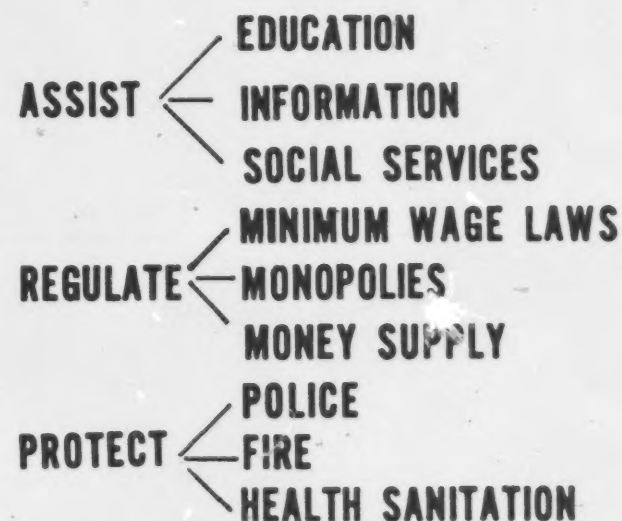


TO BENEFIT THE LARGEST NUMBER OF PEOPLE

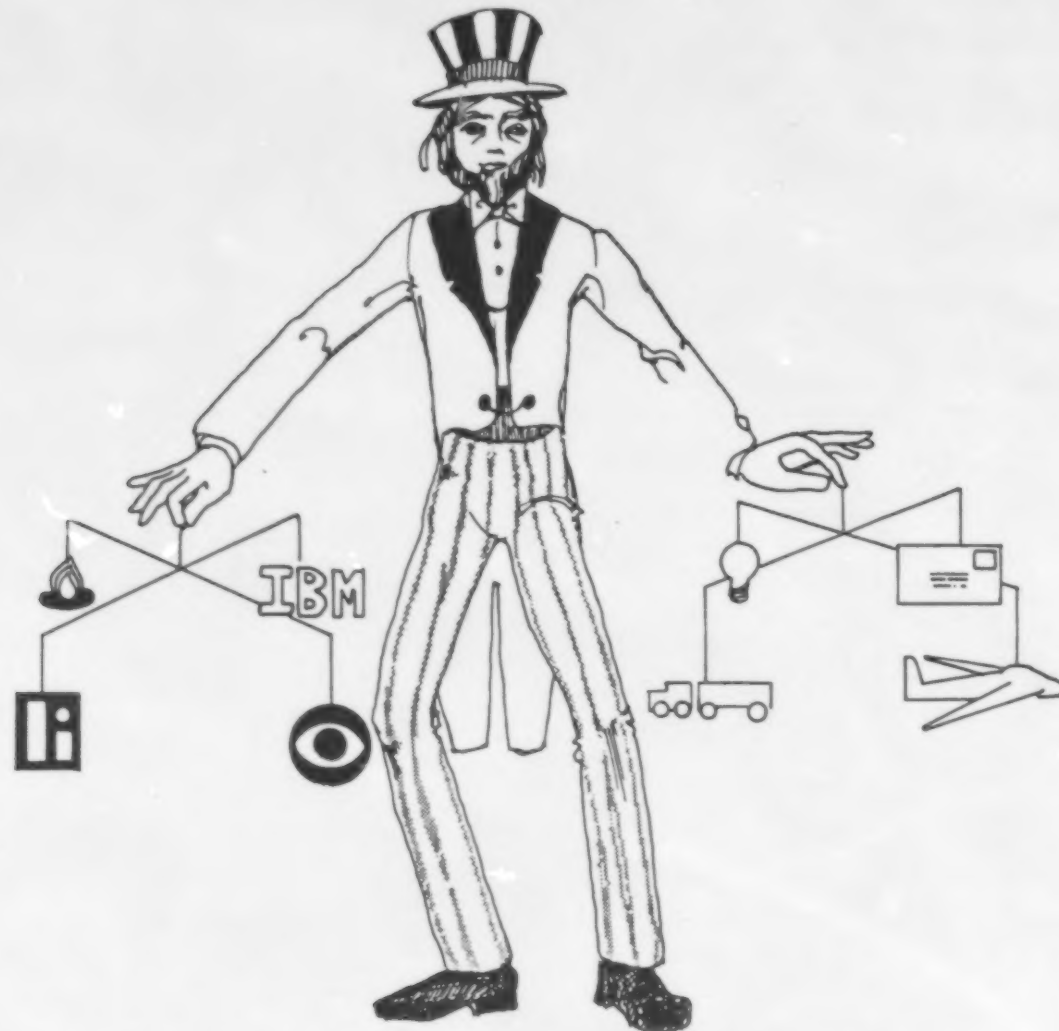
GOVERNMENT DECIDES BASIC ECONOMIC QUESTIONS

✓	WHAT TO PRODUCE
✓	HOW TO PRODUCE IT
✓	HOW MUCH TO PRODUCE
✓	FOR WHOM TO PRODUCE

GOVERNMENTS



MONOPOLY



69

GOVERNMENT REGULATES BUSINESS MONOPOLIES



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PRODUCTION



71



72

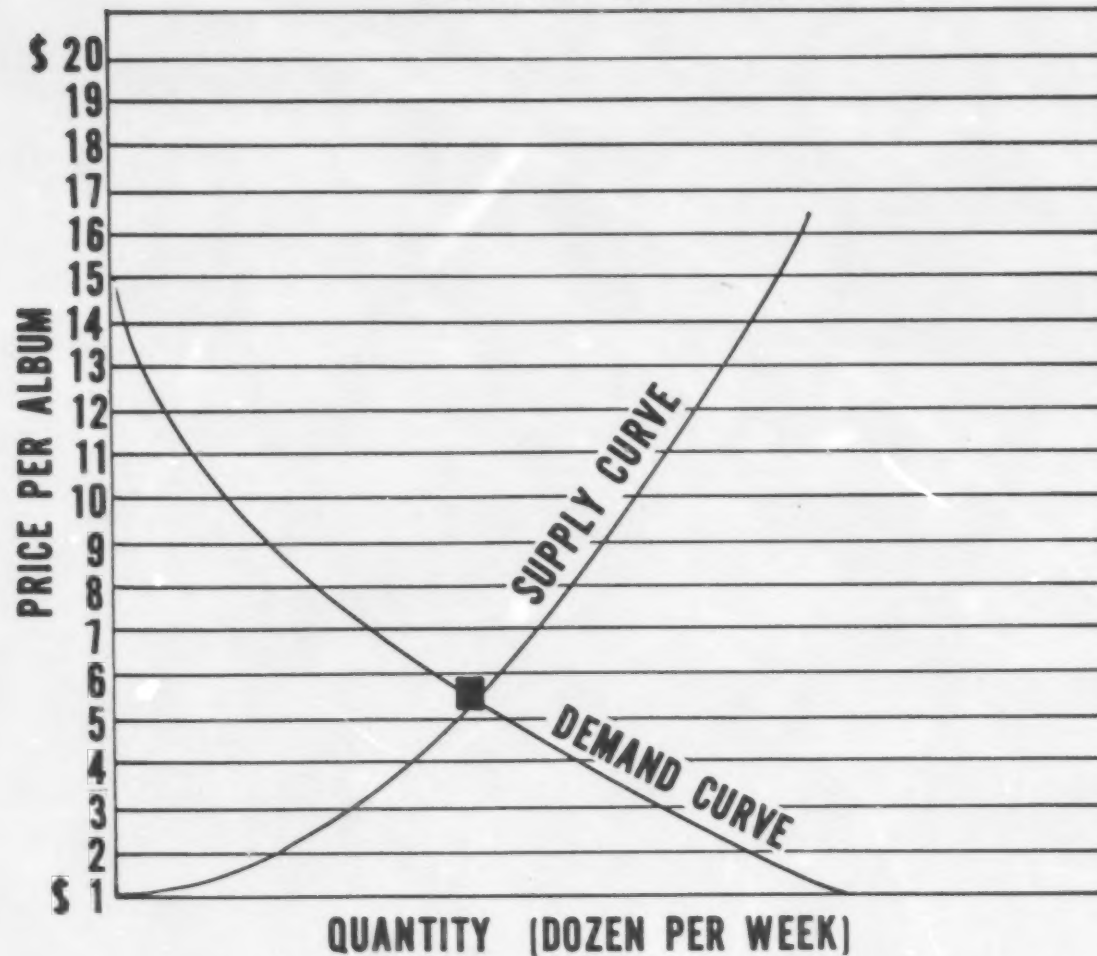
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SUPPLY AND DEMAND

JACK AND JILL RECORDS



SUPPLY EQUALS DEMAND AT \$5.95 PRICE

JACK AND JILL SELL 60 DOZEN ALBUMS PER WEEK AT THIS PRICE

2 FISH FOR 1 HIDE

PRICING

3 FISH FOR 1 HIDE



75

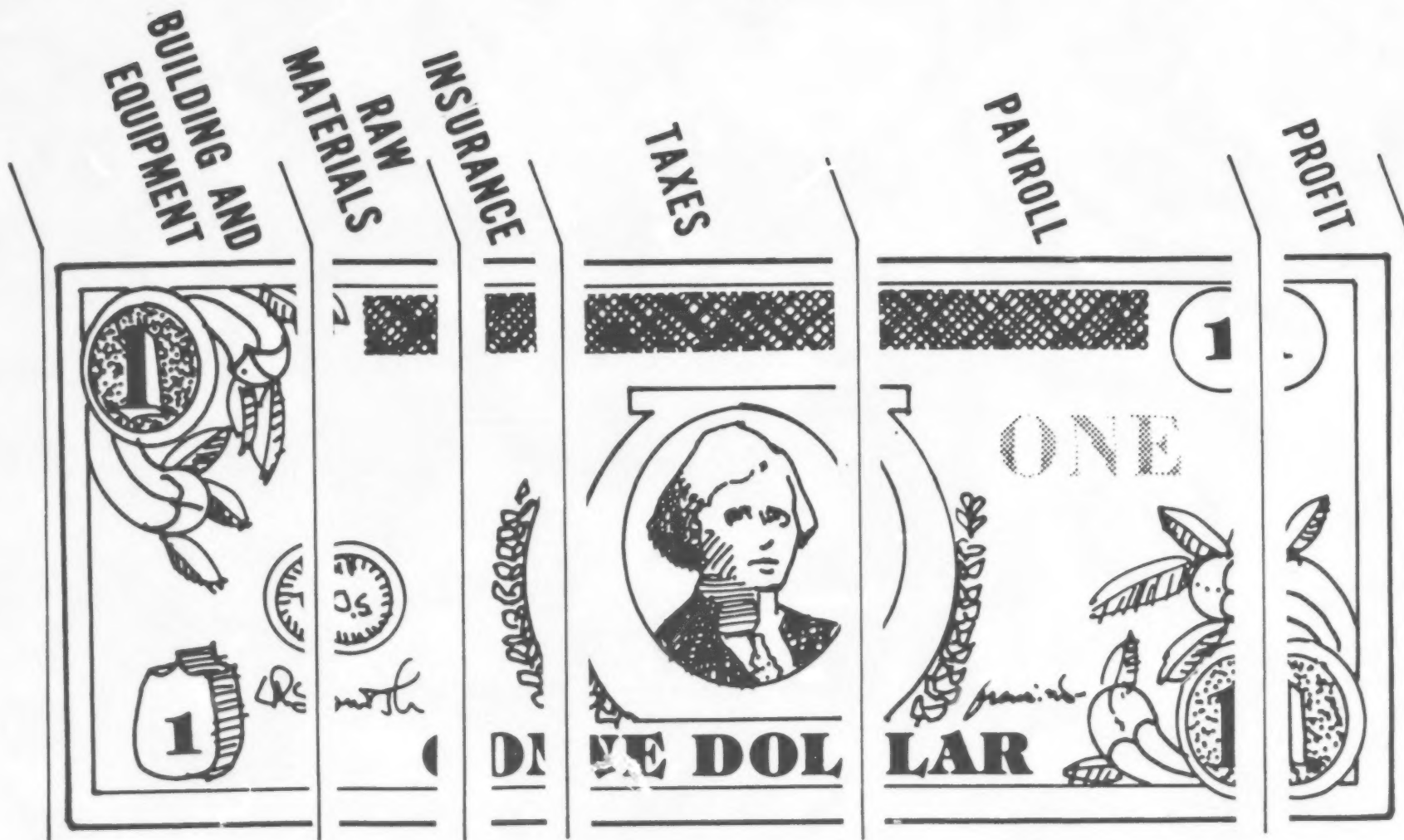
76

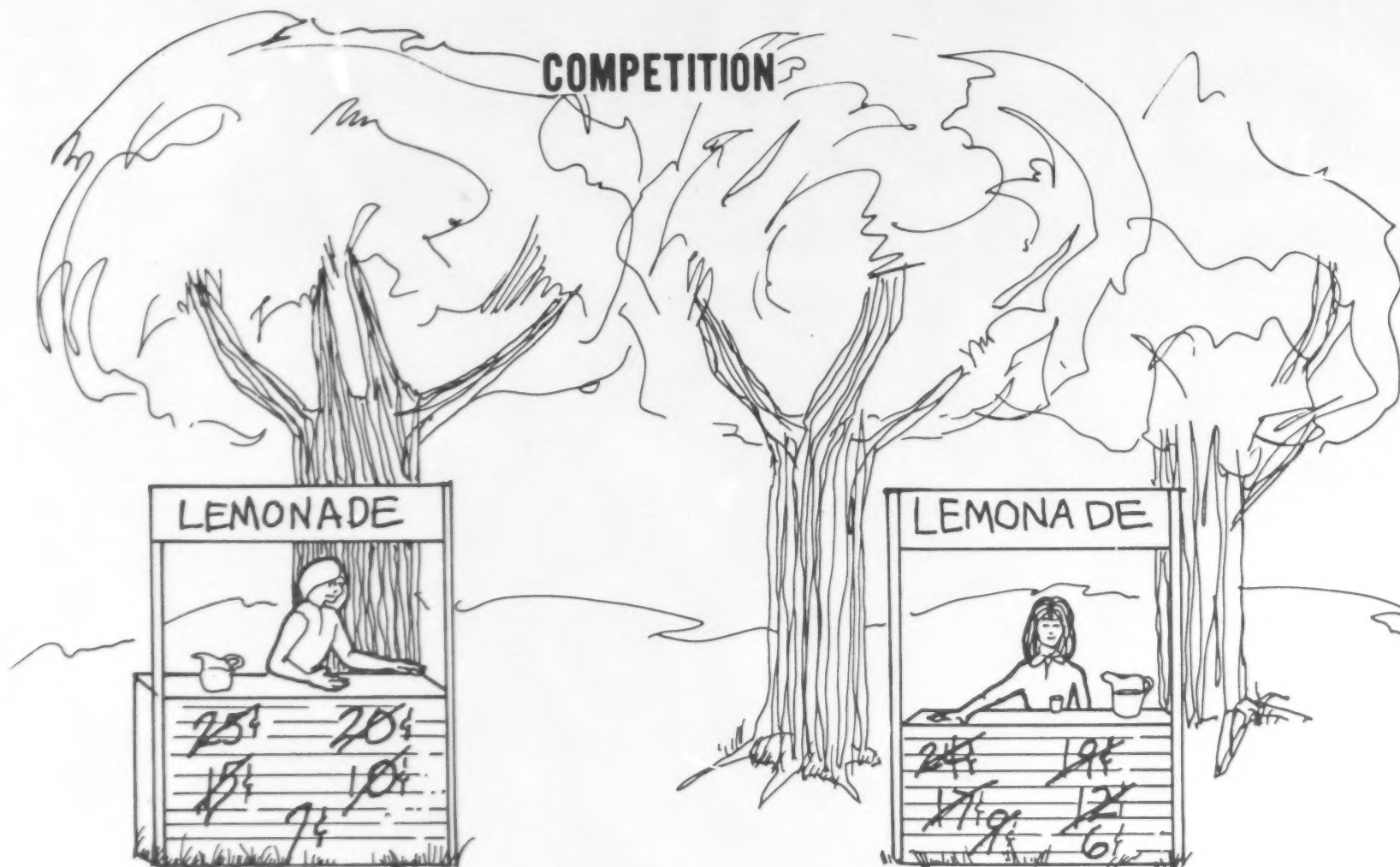
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PROFIT



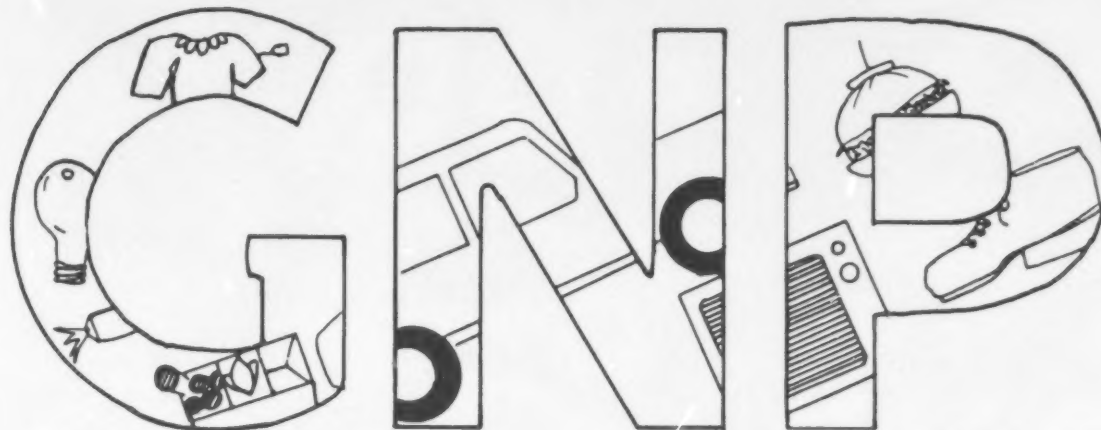


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GROSS NATIONAL PRODUCT



SUM OF ALL THE GOODS AND SERVICES AMERICA PRODUCES



INFLATION

UNSTABLE PRICES

HIGH EMPLOYMENT

HIGH PRODUCTION

WAGES

PRICES



AMERICAN FREE ENTERPRISE SYSTEM

PROFIT – THE KEY

INDEX TO TRANSPARENCIES

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CARE OF YOUR TRANSPARENCIES

These transparencies are produced by the offset printing method at the Vocational Education Media Center, Clemson University, Clemson, South Carolina. They are designed to be an aid to you in your teaching program. Although they are developed by economy techniques, they will last many years if you will care for them. Here are some suggestions we believe will help you in caring for them:

1. The transparencies have been dusted during the printing process. This dust may be washed off with a damp, soft cloth. Use water only. The dust can cause unsightly shadows on your projector. Dry the transparencies gently with a cloth, paper towel, or by spreading them out on a table until dry.
2. Please do not write on the transparency with a grease or wax pencil. If you wish to emphasize something, place a clear sheet of plastic over the transparency and write on the clear sheet. This will prevent possible abrasion to the transparency.
3. Store this folder in a good filing cabinet. If you wish to mount them you may. Overlays should be hinged together to start with.
4. Store in a dry place.
5. Yes, the plastic will bend, tear and scratch – if you let it be abused. Cared for properly, it will last for many years.
6. To separate the transparency from the slip sheet, grasp the transparency in one hand and the slip sheet in the other, near the glue strip, and carefully pull the two apart.